

## SCL Rate Setting Policy Resolution

|                                   |   |  |                             |
|-----------------------------------|---|--|-----------------------------|
| <b>Date of this Brief</b>         | <b>January 3, 2012</b>  |  |                             |
| <b>Supersedes</b>                 |   |  |                             |
| <b>Key Contacts</b>               | <b>Name(s)</b>  | <b>Phone</b>                             | <b>Short Title</b>          |
|                                   | Paula Laschober   | 684-3168                                 | SCL Finance Director        |
|                                   | Brian Brumfield   | 684-3177                                 | SCL Interim CFO             |
|                                   | Kirsty Grainger   | 684-3713                                 | SCL Financial Planning Mgr. |
| <b>Council Action Required?</b>   | <b>Yes</b>  | <b>If YES, within the next 3 months?</b> | <b>Yes</b>                  |
| <b>Public Hearing Required?</b>   | <b>No</b>   |  |                             |
| <b>Presenters (if applicable)</b> | Paula Laschober, SCL Finance Director<br>Brian Brumfield, SCL Interim Chief Financial Officer |  |                             |

### Summary Statement

A RESOLUTION adopting a policy framework for City Light rate setting objectives, rate design policies, and marginal cost allocation among customer classes.

### Background

The City Council intends to reestablish and refine a general rate setting, design and cost allocation policy framework for City Light, which was previously adopted under Resolution 30933 in 2006, but repealed by Resolution 31187 in 2010

### Key Issues

Rate setting objectives  
Rate design policies  
Marginal cost allocation

### Next Steps

1. Resolution is discussed at January 24, 2012 EEC meeting (briefing).
2. Resolution is adopted by Full Council after recommendation by EEC.
3. City Light will use this resolution as a guideline in setting rates and cost allocation.
4. The City Light Review Panel will also use the resolution as a guideline as it assesses City Light's rates, rate design and marginal cost allocation, as provided in Ordinance 123256 approved March 2010.